Greenply Industries(GREIN)

CMP: ₹280 | Target ₹ 335 (20%) | Target Period: 12 months | BUY

October 30, 2026

Healthy Growth across segments!

About the stock: Greenply Industries (GIL) is one the leading players in the plywood business in India with capacity of 52.8 Mn square metre per annum. It has a dealer distribution network of 3000+ pan-India.

- It has MDF boards manufacturing at Vadodara, Gujarat of 3 lakh CBM/annum. It is adding capacity in plywood segment and MDF segment which will take total capacity to 81.3 MSM and 5.1 lakh CBM/annum, respectively.

Q2FY27 performance: Greenply's consolidated topline for Q2FY27 stood at ₹799.7 crore, up 16.1% YoY. MDF revenues stood at ₹173.9 crore, up 18.4% YoY with volumes of 54,605 CBM up 16.1% YoY with realization up 2.1% YoY. The plywood volumes were up 6.1% YoY to 23 MSM with revenues at ₹625.7 crore, up 15.5% YoY and realization up 9% YoY. Consolidated EBITDA grew 57.2% YoY to ₹89.2 crore, with margins expanding 300 bps to 11.2%, driven by margin improvement in both Plywood (+180 bps to 10.1%) and MDF (15.2%, up 690 bps from a low base of 8.3%). Despite being affected by the share of loss from equity accounted investees of ₹6.3 crore specifically from Greenply Samet JV, PAT surged 167.3% YoY to ₹42.7 crore, reflecting strong operational leverage and underlying business momentum.

Investment Rationale:

- **New capacity expansion announced with existing plan progressing as planned:** Greenply is actively looking to capture market demand with a new plywood capacity expansion of 15 MSM at its Sandila, Lucknow facility. Funded via debt and internal accruals with a budgeted CapEx of ₹125 crores, this project targets commercial operations by Q4FY28, adding an annual revenue potential of ₹320-₹340 crore. Simultaneously, existing greenfield and brownfield projects remain strictly on schedule. The greenfield Odisha plywood unit will be commissioned in Q4FY27, while the Vadodara MDF Line 2 expansion is set to launch in Q2FY28.
- **Improving margin profile with maintained guidance for Plywood segment:** Greenply's financial outlook is further strengthened by its disciplined margin trajectory and clear forward guidance. Management remains highly confident in the core plywood segment, maintaining its target of delivering over 10% annual volume growth while sustaining full-year core EBITDA margins of around 10%. Although operational disruptions in the first half necessitated a revision in the Medium-Density Fiberboard (MDF) guidance, the revised targets remain structurally robust. The company now projects full-year MDF volume growth of approximately 20%. It also expects to maintain healthy MDF core EBITDA margins in the 15% to 16% range. We bake in a revenue CAGR of 12.7% for (FY26-28E) with EBITDA margin of 10.7%/11.2% for FY27E/FY28E

Rating and Target Price: Greenply continues to report a sustained growth across both its segment of Ply and MDF. **We maintain BUY with a revised target price of ₹335, valuing at 22x FY28 P/E**

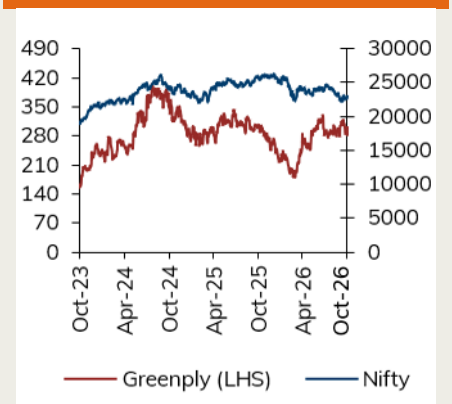
Particulars

Particulars	(₹ crore)
Market Cap	3,496
Total Debt	510
Cash	528
EV	3,478
52-week H/L (₹)	334 / 277
Equity capital	12.3
Face value (₹)	1.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	51.7	51.9	52.0	51.9
FIIs	4.5	4.2	4.4	4.7
DII	32.4	31.8	31.4	31.6
Other	11.4	12.1	12.2	11.8

Price Chart



Key risks

(i) Delay in expansion timelines

(ii) Spike in input costs, specifically resins.

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

(₹ Crore)	FY23	FY24	FY25	FY26	5 yr CAGR (FY21-26)	FY27E	FY28E	2 yr CAGR (FY26-28E)
Net Sales	1845.6	2179.9	2487.6	2739.0	18.6%	3117.0	3478.0	12.7%
EBITDA	169.1	186.8	237.7	270.5	18.3%	333.6	388.8	19.9%
Net Profit	91.4	70.0	91.6	89.5	8.0%	146.1	189.1	45.3%
EPS (₹)	7.4	5.7	7.3	7.2		11.7	15.1	
P/E (x)	37.6	49.5	38.2	39.1		23.9	18.5	
EV/EBITDA (x)	24.4	21.4	16.7	14.6		12.6	10.5	
RoCE (%)	11.1	11.7	14.8	16.1		16.2	17.0	
RoE (%)	12.7	10.1	11.3	8.4		14.0	15.4	

Source: Company, ICICI Direct Research

Q2FY27 – Key Performance highlights and outlook

- **Guidance:** For the plywood segment, **the management remains confident and intends to maintain its existing target of delivering over 10% volume growth annually**. With quarterly revenues projected to cross ₹600 crore going forward, **the company aims to deliver 10%+ margins for H2 FY27 and sustain a full-year core EBITDA margin of around 10%.** For the MDF segment, management revisited its full-year guidance due to H1 operational disruptions. The **company now targets a full-year MDF volume growth of ~20% while maintaining core EBITDA margins in the range of 15-16%.** Furthermore, EBITDA per CBM for MDF is expected to be maintained above ₹5,000.
- **Plywood:** The plywood division reported Q2FY27 sales volumes of 23.0 MSM (up 6.1% YoY) and total revenue of ₹625.7 crore (up 15.5% YoY). Realization improved 9.0% YoY to ₹264/sqm, driven by a higher share of premium product sales. Core EBITDA for the segment reached ₹62.9 crore, with margins expanding 180 bps YoY to 10.05%. Capacity utilization remained above 100% during the quarter, making existing capacity a short-term bottleneck until upcoming units start.
- **MDF Segment:** The MDF business delivered a Q2FY27 revenue of ₹173.9 crore (up 18.4% YoY) on sales volumes of 54,605 CBM (up 16.1% YoY). **Volume growth fell slightly short of internal targets due to severe monsoon disruptions and scheduled OEM annual maintenance at the Vadodara plant. Realizations dipped to ₹31,816/CBM due to the complete rollback of earlier price hikes amid intense market competition.** Despite pricing pressure, core EBITDA margin for Q2FY27 reached 15.2% (₹26.4 crore), benefiting from lower energy costs, operational efficiencies, and a favorable product mix including higher pre-lam board sales.
- **Samet JV:** Greenply Samet, reported revenues of ₹14.08 crore for Q2 FY27 and ₹27.70 crore for H1 FY27. The JV posted a PAT loss of ₹12.6 crore in Q2 FY27 and ₹24.2 crore in H1 FY27, resulting in Greenply accounting for a share of loss worth ₹6.3 crore and ₹12.1 crore, respectively. Total equity invested by Greenply stands at ₹105 crore. To eliminate the recurring financial drag on its balance sheet, **Greenply announced a restructuring plan to dilute its stake from 50% down to a 19% minority holding by January 5, 2027**.
- **Input Costs & Price Escalation**: During Q2FY27, chemical raw material prices increased significantly, creating an absolute cost headwind of 7% to 8% for the panel industry. Meanwhile, timber prices remained largely stable throughout the quarter. Management expects timber costs to stay range-bound at current elevated levels without further price escalation, noting that any unexpected reduction in timber costs would directly flow through to margins. **In the MDF segment, the initial 15.5% price hike implemented by industry players in Q1FY27 was entirely rolled back during Q2 due to intense competitive intensity from new market capacity additions**.
- **Debt:** Greenply maintained a disciplined balance sheet while executing its ongoing capital expenditure programs. Q2 end, consolidated gross debt stood at ₹577 crore, comprising ₹176 crore for the plywood business and ₹401 crore for the MDF business. **Consolidated net debt reached ₹544 crore, representing a modest increase from ₹533 crore in June 2026 and ₹510 crore in September 2025. The net debt-to-equity ratio improved to 0.56x as of Q2 FY27, down from 0.57x in Q1 FY27 and 0.60x in Q2 FY26**. This financial leverage remains well within management's guided comfort range of 0.70x to 0.75x.
- **Working Capital:** Consolidated working capital days stood at 43 days compared to 51 days in the prior-year period.
- **New product:** During the quarter, the company launched **Termivax**, a patented nanotechnology-based anti-termite solution designed to provide deep structural protection against termite infestation. Greenply Gold was further enhanced with an 11-year fully covered "Plus Plan" complementary to its 30-year product warranty, providing specific restoration cost

coverage for consumers. Greenply also remains the pioneer of Zero Emission (E-0) plywood in India.

- **Capex:** To capture expanding market demand, **Greenply announced a new plywood capacity expansion of 15 MSM at its existing Sandila, Lucknow facility. The project involves a budgeted Capex of ₹125 crore funded through debt and internal accruals, with commercial operations targeted for Q4 FY28. Once fully operational, Sandila Phase 2 has a revenue potential of ₹320-₹340 crore annually**, bringing total plywood capacity to 81.3 MSM. Meanwhile, **existing greenfield/brownfield projects remain on schedule: the greenfield Odisha plywood unit (13.5 MSM capacity) is expected to be commissioned in Q4 FY27, while the Vadodara MDF Line 2 expansion (2.10 lakh CBM capacity; ₹425 crore Capex) is set for Q2 FY28**. Additionally, Greenply plans future low-Capex entry into particleboard/chipboard by setting up multi-daylight lines adjacent to MDF plants at under ₹100 crore per line.

Exhibit 1: Quarter Performance

Particulars	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	Comments
Net Sales	799.7	688.6	16.1	724.9	10.3	Revenue growth driven by 18.4% in MDF and 15.5% in Ply
Other Income	3.5	1.8	99.1	1.8	91.9	
Material Consumed	313.4	248.1	26.3	292.7	7.1	
Purchase of Stock in Trade	188.8	117.4	60.8	123.2	53.2	
Changes in Inventories of WIP	-36.0	63.2	-157.0	0.9	-3,895.4	
Employee Benefit Expenses	101.0	90.0	12.2	98.9	2.1	
Other Expenses	143.3	113.2	26.7	130.8	9.6	
EBITDA	89.2	56.8	57.2	78.3	14.0	
EBITDA Margin (%)	11.2	8.2	291 bps	10.8	36 bps	Major improvement in MDF margin to 15.2%, up 690 bps from a low base of 8.3%
Depreciation	18.4	15.8	16.1	17.4	5.4	
Interest	11.1	13.5	-17.6	7.5	48.4	
PBT	63.2	29.2	116.6	55.2	14.5	
Taxes	14.2	7.3	93.5	11.8	19.7	
PAT	42.7	16.0	167.3	37.6	13.6	
Key Metrics						
Plywood Volume (MSM)	23.0	21.7	6.0	19.4	18.6	
Realization (₹/sq mt)	264.0	242.0	9.1	265.0	-0.4	
MDF Volume (CBM)	54,605	47,018	16.1	57,805	-5.5	
Realization (₹/MSM)	31,816	31,161	2.1	33,525	-5.1	

Source: Company, ICICI Direct Research

Exhibit 2: Change in Estimates

	FY27E			FY28E			Comments
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	3,054	3,117	2.1	3,406	3,478	2.1	Realigned estimates
EBITDA	332	334	0.4	386	389	0.6	
EBITDA Margin (%)	10.9	10.7	-18 bps	11.3	11.2	-17 bps	
PAT	138	146	6.1	182	189	3.7	
EPS (₹)	11.0	11.7	6.1	14.6	15.1	3.7	

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Net Sales	2,487.6	2,739.0	3,117.0	3,478.0
Gross Profit	**1,003.4**	**1,112.1**	**1,281.3**	**1,434.2**
Employee expenses	316.0	351.2	408.3	452.1
Other Expenses	449.8	490.3	539.4	593.3
EBITDA	**237.7**	**270.5**	**333.6**	**388.8**
Interest	43.1	55.3	62.9	67.9
Depreciation	60.1	64.6	70.6	86.4
Other income	16.5	18.6	22.0	25.0
PBT	150.9	169.2	222.1	259.5
Taxes	25.3	35.5	56.0	65.4
PAT	**91.6**	**89.5**	**146.1**	**189.1**
EPS (Diluted)	**7.3**	**7.2**	**11.7**	**15.1**
Adjusted PAT	91.6	75.0	146.1	189.1

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Profit after Tax	91.6	89.5	146.1	189.1
Depreciation	60.1	64.6	70.6	86.4
Interest	43.1	55.3	62.9	67.9
Taxes	25.3	35.5	56.0	65.4
CF before wc changes	150.4	214.8	313.6	383.8
Cash generated from op.	112.4	193.3	213.5	327.1
Income Tax paid	25.3	35.5	56.0	65.4
Net CF from op. activities	87.1	157.8	157.5	261.7
Others	16.5	18.6	22.0	25.0
(Purchase)/Sale of FA	(29.5)	(115.5)	(349.9)	(100.0)
Net CF from Inv. activities	(13.0)	(96.9)	(327.9)	(75.0)
Others	7.5	(3.3)	-	-
Interest paid	(43.1)	(55.3)	(62.9)	(67.9)
Inc / (Dec) in Loans	(36.3)	0.9	210.0	(20.0)
Net CF from Fin. activities	(71.8)	(57.7)	147.1	(87.9)
Net Cash flow	2.3	3.2	(23.4)	98.8
Opening Cash	22.4	24.7	27.9	4.5
Closing Cash	24.7	27.9	4.5	103.3

Source: Company, ICICI Direct Research

Exhibit 5: Balance sheet ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	12	12	12	12
Reserve and Surplus	796	882	1,028	1,218
Total Shareholders funds	809	895	1,041	1,230
Total Debt	488	489	699	679
Deferred Tax Liability	1	2	2	2
Total Liabilities	1,313	1,398	1,754	1,924
Assets				
Gross Block	1,051	1,161	1,261	1,661
Less Acc. Dep	250	305	376	462
Net Block	801	855	885	1,198
Net Intangibles Assets	19	19	19	19
Capital WIP	44	50	300	-
Total Fixed Assets	864	924	1,203	1,217
Investments	67	55	55	55
Inventory	518	364	461	515
Sundry Debtors	323	407	463	517
Loans & Advances	4	5	5	5
Cash & Bank Balances	25	28	4	103
Other Current Assets	59	59	67	75
Total Current Assets	928	863	1,001	1,214
Trade Payable	535	452	515	574
Other Current Liabilities	89	85	85	85
Provisions	3	12	12	12
Net Current Assets	293	306	383	538
Total Assets	1,313	1,398	1,754	1,924

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

	FY25	FY26	FY27E	FY28E
Per Share Data (₹)				
EPS - Diluted	7.3	7.2	11.7	15.1
Cash EPS	12.2	12.3	17.4	22.1
Book Value	64.8	71.6	83.3	98.5
Dividend per share	-	-	-	-
Operating Ratios (%)				
EBITDA / Net Sales	9.6	9.9	10.7	11.2
PAT / Net Sales	3.7	2.7	4.7	5.4
Inventory Days	55	58	76	49
Debtor Days	49	45	49	56
Creditor Days	69	69	94	75
Return Ratios (%)				
RoE	11.3	8.4	14.0	15.4
RoCE	14.8	16.1	16.2	17.0
RoIC	14.3	15.8	18.4	16.8
Valuation Ratios (x)				
EV / EBITDA	16.7	14.6	12.6	10.5
P/E (Diluted)	38.2	39.1	23.9	18.5
EV / Net Sales	1.6	1.4	1.3	1.2
Market Cap / Sales	1.4	1.3	1.1	1.0
Price to Book Value	4.3	3.9	3.4	2.8
Dividend Yield	-	-	-	-
Solvency Ratios (x)				
Net Debt / Equity	0.6	0.5	0.7	0.5
Net Debt / EBITDA	2.0	1.7	2.1	1.5
Current Ratio	1.4	1.5	1.6	1.6
Quick Ratio	0.6	0.8	0.9	0.9

Source: Company, ICICI Direct Research

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